



STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

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IN REPLY REFER TO:

Board of Land and  
Natural Resources  
State of Hawaii  
Honolulu, Hawaii

CONSENT TO SUBLEASE STATEWIDE IN-BOND (DUTY-FREE) CONCESSION  
DFS GROUP L.P. TO ISLAND SHOPPERS, INC.  
HONOLULU INTERNATIONAL AIRPORT

OAHU

The Department of Transportation (DOT) is seeking the Board's consent for a sublease between the Concessionaire for the In-Bond (Duty Free) Concession Lease at the Honolulu International Airport and Island Shoppers, Inc.

PURPOSE:

To sublease a portion of the concession premises at the Honolulu International Airport.

LEGAL REFERENCE:

Chapters 102 and Section 261-7, Hawaii Revised Statutes, as amended.

LESSEE/SUBLESSOR (APPLICANT):

DFS Group, L.P. (DFS)

SUBLESSEE:

Island Shoppers, Inc. (IS)

LOCATION AND TAX MAP KEY:

Honolulu International Airport, Terminal Complex,  
1st Division: 1-1-03, Portion of 1, Island of Oahu, Hawaii

ZONING:

State: Urban  
County: Industrial (I-2)

LAND TITLE STATUS:

Section 5(a) and 5(b) lands of the Hawaii Admission Act: Non-Ceded  
DHHL 30% entitlement lands: No

LEASE TERM:

The Lease (Lease No. DOT-A-07-0001) for the Statewide Duty Free Concession began on June 1, 2007 and continues through May 31, 2017.

SUBLEASE AREA:

Area/Space No. 344-291, containing approximately 143 square feet of retail floor area;  
Area/Space No. 360-208A, containing approximately 356 square feet of retail floor area; and  
Area/Space No. 363-239, containing approximately 4,320 square feet of retail floor area.

SUBLEASE TERM:

Term commences on August 1, 2011 and continues through the end of the lease term.

USE:

The retail sales of DFS pre-approved IS merchandise as part of its In-Bond (Duty Free) Concession at Honolulu International Airport.

CONCESSION FEE:

The In-Bond (Duty Free) Concession pays a Minimum Annual Guaranteed Fee (MAG) plus an applicable percentage fee based on a schedule.

DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL:

Island Shoppers is a certified DBE as defined in the Code of Federal Regulations Title 49, Part 23, Subpart F and was selected in part to fulfill the DBE concession participation goal of 15% of Gross Receipts.

IMPROVEMENTS:

Island Shoppers must notify and coordinate through DFS to obtain DOT's approval for any and all design improvements and changes affecting the appearance and use of its spaces.

REMARKS:

DOT's goal is to encourage participation in airport concessions by DBE's. By subletting a portion of its Concession's premises to a certified DBE, Applicant is satisfying its DBE objective as defined in the Concession bid documents.

The DOT has reviewed the sublease and sublease rent and determined that the sublessee's obligations are reasonable with no excess sandwich profit to be gained by the Applicant (Lessee/Sublessor).

RECOMMENDATION:

That the Board authorize the DOT to consent to the sublease as hereinabove outlined and to grant a Consent to Sublease, subject to the review and approval of the Department of the Attorney General.

Respectfully submitted,

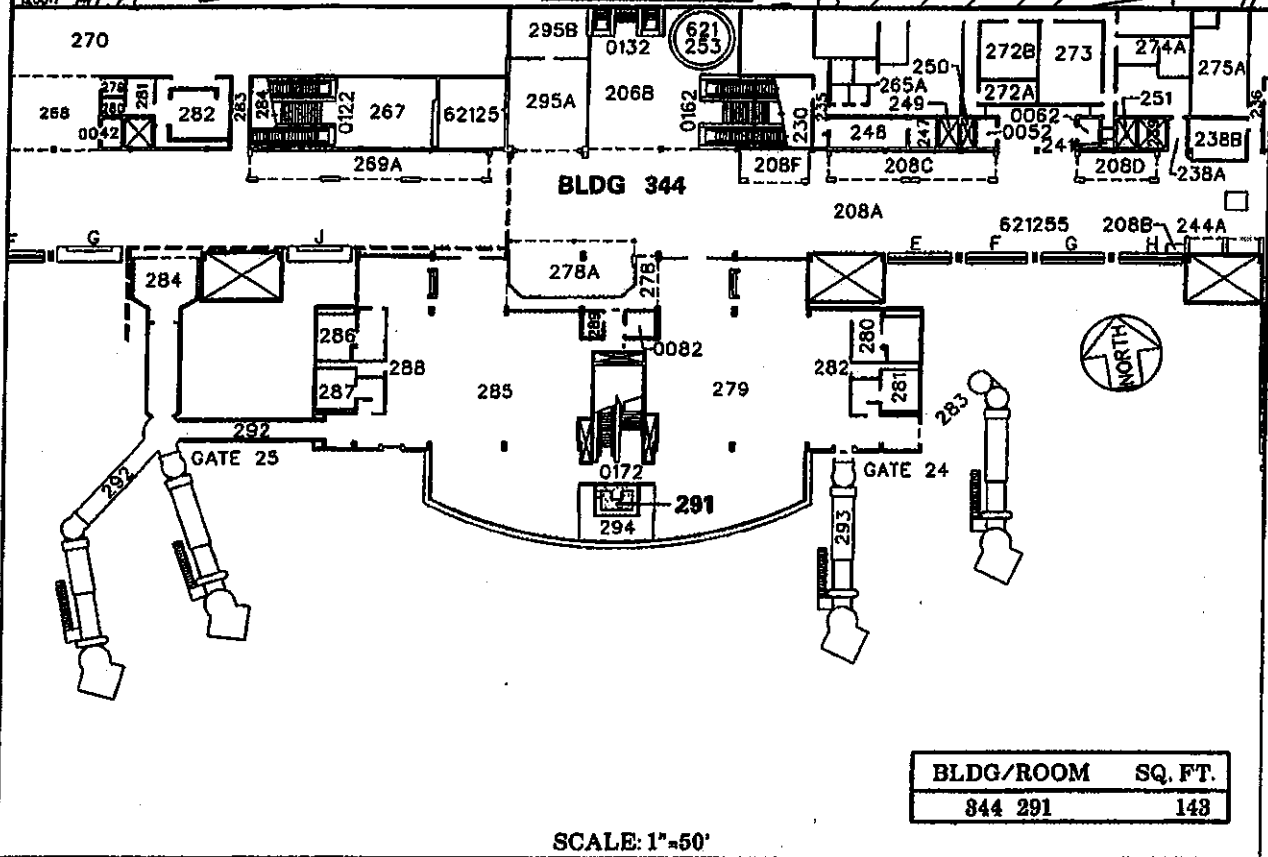
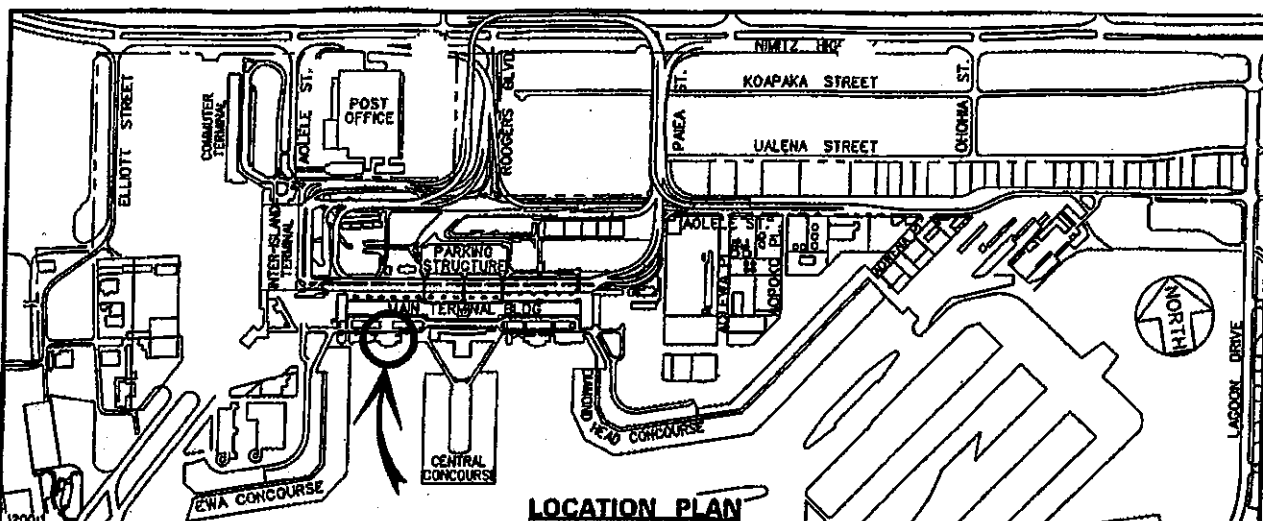


GLENN M. OKIMOTO, Ph.D.  
Director of Transportation

APPROVED FOR SUBMITTAL:



WILLIAM J. AILA, JR.  
Chairperson and Member



DATE: JULY, 2008

EXHIBIT: D



Airports Division

IN-BOND  
(DUTY-FREE)  
CONCESSION

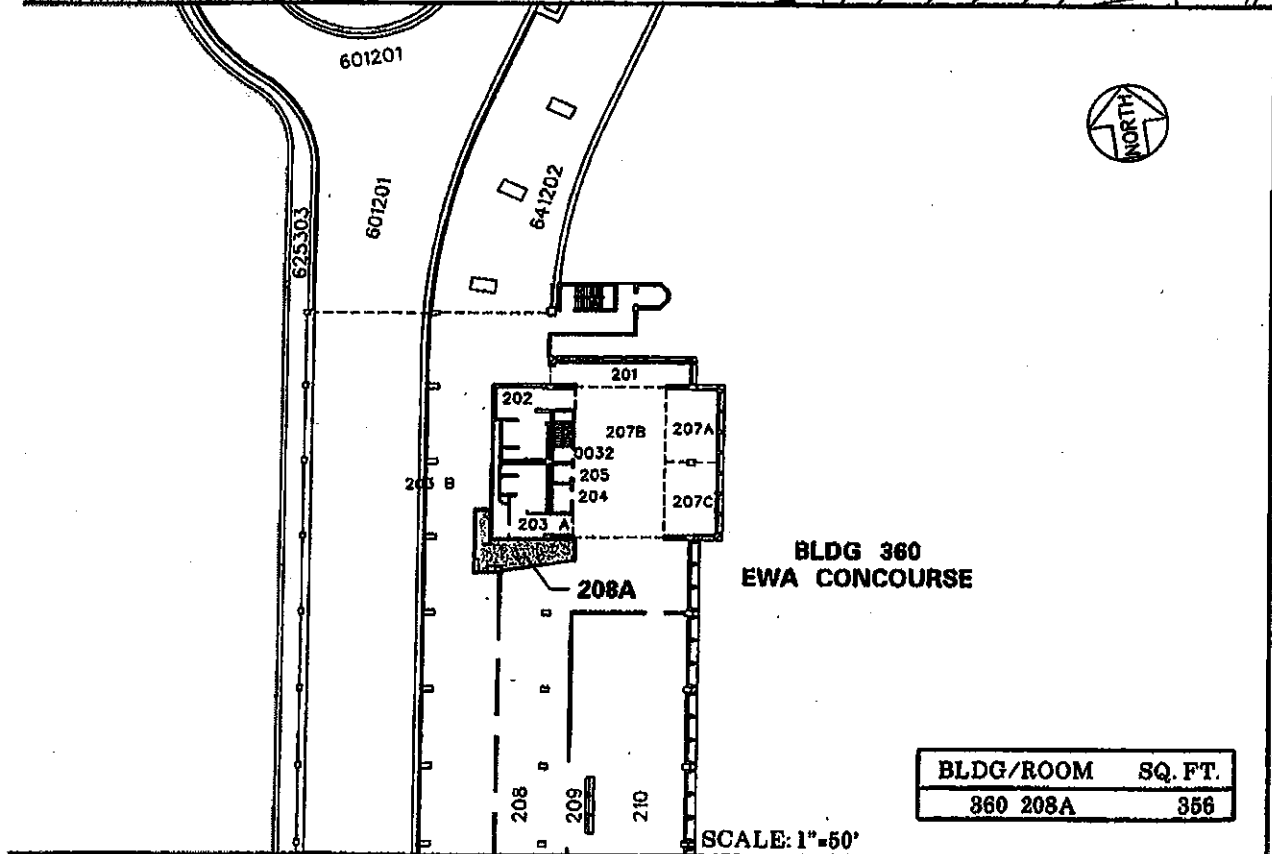
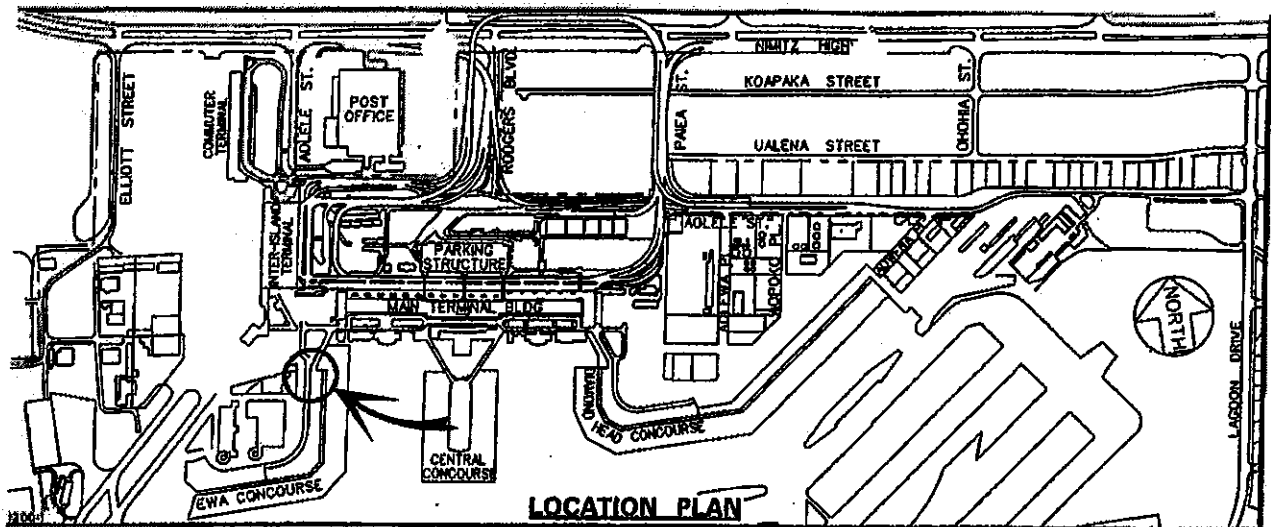
BLDG 344  
EWA DOMESTIC EXT  
SECOND LEVEL

344291  
PLAT A2

HONOLULU INTERNATIONAL AIRPORT

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Gate 24/25 Shop  
Location Map



DATE: JULY, 2008

EXHIBIT: **E**



Airports Division

**IN-BOND  
(DUTY-FREE)  
CONCESSION**

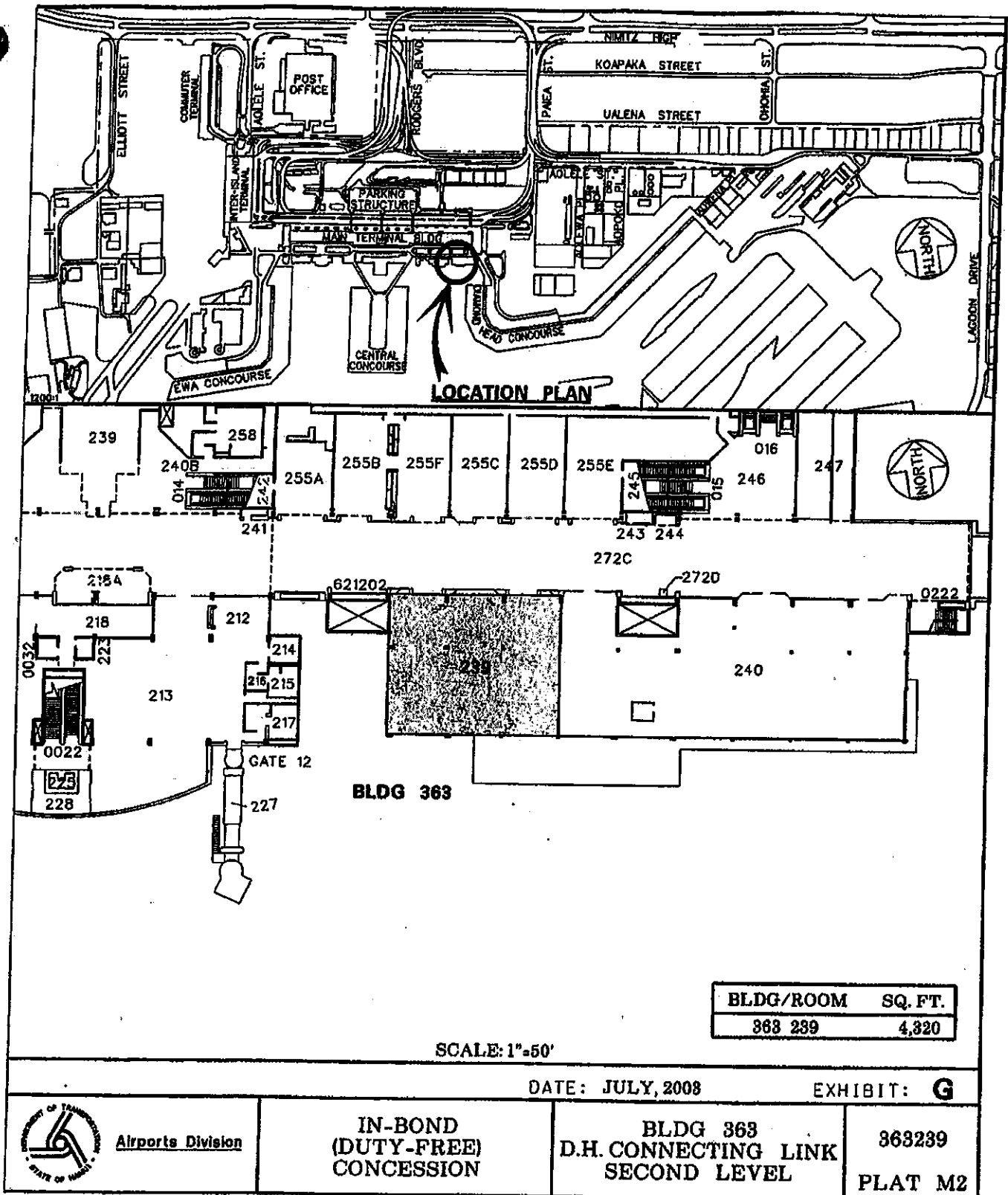
**BLDG 360  
EWA CONCOURSE  
SECOND LEVEL**

**360208A  
PLAT F2**

**HONOLULU INTERNATIONAL AIRPORT**

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**Gate 26 Shop  
Location Map**



# HONOLULU INTERNATIONAL AIRPORT

## Diamond Head Main Shop Location Map